DOCUMENT RESUME

ED 465 084 CE 083 357

AUTHOR Hawke, Geof; Mawer, Giselle; Connole, Helen; Solomon, Nicky
TITLE Principles for Public Funding of Workplace Learning. A Review To Identify Models of Workplace Learning & Funding Principles.
INSTITUTION Technology Univ., Sydney (Australia). Research Centre for Vocational Education and Training.
SPONS AGENCY New South Wales Board of Vocational Education and Training, Sydney (Australia).
PUB DATE 1998-05-00
NOTE 44p.
AVAILABLE FROM Research Centre for Vocational Education and Training, University of Technology, Sydney, P.O. Box 123, Broadway, NSW 2007, Australia (RP50; $10 Australian). For full text: http://www.bvet.nsw.gov.au/pdf/finalrpt.pdf.
PUB TYPE Reports - Research (143)
EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Case Studies; Decision Making; Definitions; *Delivery Systems; Education Work Relationship; *Educational Finance; Educational Principles; Employment Qualifications; Evaluation Criteria; Foreign Countries; Government Role; Government School Relationship; Guidelines; Job Skills; *Job Training; Literature Reviews; *Models; *Policy Formation; *Public Policy; Skill Development; Vocational Education
IDENTIFIERS *Australia; Registered Training Organizations (Australia)

ABSTRACT

Models of workplace learning and principles for funding workplace learning in Australia were identified through case studies and a literature review. A diverse array of workplace-based approaches to delivering nationally recognized qualifications were identified. The following were among the nine funding proposals formulated: (1) funding arrangements should be primarily designed to facilitate growth of the overall training effort; (2) funding should be provided only to registered training organizations (RTOs) for programs delivered under their mandate; (3) priority for funding should be provided to programs delivering outcomes that are transferable to a range of enterprises within the relevant industry sector or that provide portability across industries; (4) funding for workplace learning should be provided on a basis reflecting the variables in costs rather than on a fixed-rate basis; (5) funding arrangements should encourage industry to share in the total cost of training development and delivery; and (6) all trainees in funded programs should have access to a source of advice and support independent of the employer and the RTO. Five specific recommendations for further action by Australia's Board of Vocational Education and Training were also presented. (A list of case study participants and a literature review with a 27-item bibliography are appended.) (MN)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 465 084

Principles for Public Funding of Workplace Learning

A review to identify models of workplace learning & funding principles

U.S. DEPARTMENT OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
This document has been reproduced as received from the person or organization originating it.
Minor changes have been made to improve reproduction quality.
Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.
G. Hawke
1

May, 1998

BEST COPY AVAILABLE

CE 083 357

Research Centre for Vocational Education and Training

PRINCIPLES FOR PUBLIC FUNDING OF WORKPLACE LEARNING

GEOF HAWKE
GISELLE MAWER
HELEN CONNOLE
NICKY SOLOMON

BEST COPY AVAILABLE

© 1998 Board of Vocational Education and Training, NSW

Published by

Research Centre for Vocational Education and Training
University of Technology, Sydney
PO Box 123
Broadway NSW
Australia 2007

Telephone (+61-2) 9514 3700
Fax (+61-2) 9514 3737

CONTENTS

EXECUTIVE SUMMARY I

INTRODUCTION 1

MODELS OF WORKPLACE LEARNING 2

Responsibility 3

Program Structure 4

Some Examples 5

WORKPLACE FUNDING ISSUES 7

The Issues 7

Implications Arising from the Issues 12

DRAFT FUNDING PRINCIPLES 15

General Principles 15

Issues in developing Guidelines 18

NEXT STEPS 21

APPENDIX 1 - CASE STUDY PARTICIPANTS 23

APPENDIX 2 - LITERATURE REVIEW A-1

EXECUTIVE SUMMARY

Vocational Education and Training as it has operated over the last century has regarded learning in the workplace as an unstructured adjunct and support to the formal learning of the classroom. In the last decade, however, a significant degree of rethinking has changed the role of the workplace from that of supporting actor to that of leading player.

As part of that rethinking, governments have devoted increasingly large proportions of their VET budgets to supporting employers to assist their employees to develop important vocational skills. The ways in which this support has been provided vary widely and the rationale on which they have operated has not always been clear or supported by any systematic understanding of how learning occurs in the workplace.

This project sought to provide an improved basis of knowledge and understanding on which NSW VET authorities could act. They are seeking to develop policies and programs which would provide support to workplace learning programs in ways which would enhance their attractiveness to employers. At the same time, they need to ensure that the programs meet quality criteria.

A key finding of the research has been the identification of a wide diversity of workplace-based approaches to delivering nationally-recognised qualifications. This variety suggests that simple policy responses are unlikely to be acceptable. Employers interviewed for the study expressed strong views on the primacy of learning programs satisfying the firm's needs over inflexible, bureaucratic requirements. This highlights the need for BVET to determine as a matter of policy what should be the balance between the responsibility to ensure funded programs satisfy quality requirements and the need to satisfy industry training needs. To what extent should the emphasis be concerned with intervention or surveillance versus trust?

Workplace learning programs do not lend themselves to neat compartmentalisation. While some broad similarity of features may apply to one or more programs, the differences often have great significance. Policy responses need to provide opportunities for customising funding agreements on grounds which reflect the learning needs of the enterprise and the learners. This means that those responsible for the agreements need to be well-versed in learning principles and practices. This cannot be a simple clerical process.

BEST COPY AVAILABLE

The report proposes that funding arrangements for workplace learning utilise a descriptive framework which characterises programs by two factors—*Responsibility* and *Program Structure*. It identifies a range of issues which affect both policy and practice and recommends a set of funding principles which apply to workplace learning programs in general. It then identifies issues which are relevant to specific program types and which will need to be reflected in funding guidelines.

Table 1 Proposed Funding Principles

G1	Funding arrangements should be primarily designed to facilitate the growth of the overall training effort.
G2	Funding should be provided only to Registered Training Organisations for programs delivered under their mandate.
G3	Priority for funding should be provided to programs which deliver outcomes which are transferable to a range of enterprises within the relevant industry sector or which provide portability across industries.
G4	Funding for workplace learning should be provided on a basis which reflects the variables in costs rather than on a fixed-rate basis.
G5	Funding arrangements should encourage industry to share in the total cost of developing and delivering training.
G6	All trainees in funded programs should have access to a source of advice and support independent of the employer and the RTO.
G7	Funding should be arranged in ways which explicitly encourage RTOs and workplaces to provide training opportunities for individuals from the target groups.
G8	Funding should be provided on a staged basis and should require satisfactory evidence of performance.
G9	Processes used by the funding body and all those participating in providing training should be open and transparent.

Specific recommendations emphasise the importance of a "user-friendly" set of funding programs, the need to better integrate accreditation and funding arrangements and the importance of ensuring that employers and trainees have

BEST COPY AVAILABLE

access to full and complete information both before and during the training period.

Finally it proposes that BVET should use the draft principles developed here to prepare draft guidelines and processes for public comment. Following revision, the proposed funding arrangements would then be piloted to ensure that they satisfy the needs of all parties.

BEST COPY AVAILABLE

INTRODUCTION

The Research Centre for Vocational Education and Training (RCVET) at the University of Technology, Sydney was contracted by the Department of Education and Training, New South Wales to:

- identify a range of models of workplace learning currently operating in NSW which lead to nationally recognised qualifications;
- describe the features of each workplace learning model, including how it meets minimum requirements for the award of nationally recognised qualifications;
- analyse the workplace learning models and define the implications of each model for future public funding;
- develop a draft strategic framework which provides principles for the funding of workplace learning which leads to nationally recognised qualifications.

The project would involve:

- a brief review of relevant literature;
- structured interviews with practitioners responsible for managing/delivering workplace learning and with participants in workplace learning, in order to evaluate models from the perspective of both the employer and the employee;
- analysis/synthesis of research material to produce a report, which incorporates a draft strategic framework of principles for funding

It was expected that the principles for government funding of workplace learning which leads to nationally recognised qualifications (eg. decisions on funding traineeships and apprenticeships where training is proposed to be entirely on-the-job) would be practical ones. They would also enable government (through best practice/funding guidelines) to encourage industry to adopt best practice models and minimise problems of quality/portability of training associated with this form of delivery.

Thus it was expected that the project would have an emphasis on what models work best and what features enable them to work effectively.

During the course of the project the focus of this original brief was clarified on a number of occasions as the nature of existing practice became clearer and changes occurred in national policy frameworks. As well, responsibility for the project transferred from DTEC to the newly established Department of Education and Training (DET).

MODELS OF WORKPLACE LEARNING

Models of workplace learning—or of any other concept—may be developed for many reasons. The nature of those reasons, however, impact greatly on the sorts of models which might be considered and how well they satisfy your needs.

In the case of learning in the workplace, there have been many different ways in which the kinds of learning which occurs in workplace have been characterised. As well, many different ways in which the approaches of workplaces to learning have been described (some examples can be found in Hager, 1997). Most of these models have been developed with the primary aim of improving our understanding of the processes of learning.

For our purposes, however, we have sought to tackle a question which has not been addressed previously—how to categorise, cluster or define approaches to the design and delivery of workplace learning programs in ways which are relevant and helpful to a State Training Agency (STA) seeking to fund providers delivering nationally-recognised qualifications using workplace delivery.

This has required us to focus our attention on those features of workplace learning programs which have implications for costs on the one hand and on the quality of outcomes on the other. As is evident from the literature reviewed for this study, we are only just beginning to gain a solid understanding of the latter (features affecting outcomes) and have, as yet, relatively little knowledge of the former (cost factors).

This study then has required us to develop an improved understanding of the two issues of quality and cost in delivering workplace programs. This we have sought to do through:

- a review of the workplace learning literature and other material which looked at funding vocational education and training. This review (see Appendix 2) helped frame some of the questions which were later pursued with stakeholders and helped the researchers to focus on the key issues.
- discussions with a range of key stakeholders, and
- focussed discussions with players (employers, providers, trainers, trainees and others) involved in a number of case studies in which nationally-recognised qualifications are being delivered to a significant extent in the workplace.

A significant finding was the degree to which each workplace context led to a unique set of program features even within a single organisation. This diversity is a particular challenge to STAs in seeking to adopt a simple administrative approach.

As most of the case study participants would acknowledge, the existing programs do not represent ideal practice. Rather, most of them are struggling to come to grips with a range of issues, many of which they had no expectation would arise. Indeed, most would recognise that their understanding about the learning of vocational skills had changed greatly as a result of their experience and that many of their initial views had been greatly changed.

Two broad dimensions, however, have emerged which appear to provide the basis for a framework which will address the needs of STAs in setting guidelines for funding learning in the workplace. These two dimensions are *Responsibility* and *Program Structure*. These two will now be described in some detail and then some examples will be given about how these dimensions can combine to define a particular program. It is important to note that both of these dimensions will be described as consisting of a small set of categories. This is done for convenience but in reality there appear to be a very large number of variations which are possible and the high variability among workplaces in their needs means that many of these will be realised in practice. Moreover, within a single program, variation may occur over time as well. It will be an implementation issue as to how that is managed.

Responsibility

This dimension seeks to capture the *Who* and *How* of responsibility for the control of the delivery of the program and its outcomes. Essentially then this is about responsibility for quality.

In most cases, one of two situations will exist—

- an enterprise is registered as a Registered Training Organisation (RTO) and learning which is part of the overall program occurs in the enterprise's workplace(s)
- an RTO (which is usually a training provider) has responsibility for the issue of the qualification but all or part of the learning occurs in the workplace of another organisation(s).

However, relationships between the workplace and RTOs is often more complex and a number of arrangements may exist. Of these, four major categories have been defined and will be used in the rest of this report to characterise this dimension.

BEST COPY AVAILABLE

R1. The enterprise is an RTO registered to deliver the program under consideration. It may subcontract responsibility for various parts of the program to one or more other RTOs but assumes the major role in delivery and assessment.

R2. An RTO arranges with one or more enterprises to use their workplaces to deliver components of a nationally-recognised qualification. The RTO takes full responsibility for training and assessment though it might draw on the expertise of employees in those workplaces. The RTO may also customise the qualification to meet the needs of the workplaces.

R3. An enterprise takes the primary role in delivery and assessment of a nationally-recognised qualification but under the guidance of an external RTO. The RTO has final responsibility for quality assurance and the issue of the qualification. In most cases the RTO maintains close control over the assessment process.

R4. An enterprise (which may itself be an RTO) and an external RTO establish a partnership to share responsibility for training and/or assessment of the enterprise's employees. Either or both may take responsibility for issuance of the qualification.

Program Structure

This dimension is concerned with the approach to organising and delivering the qualification which is adopted by the responsible organisation. Again it is a broadly-conceived factor which includes within it a number of other variables. As before, the three categories which are next described simplify a more complex reality. Programs do and may exist which do not fall neatly into any of these but, overall, this appears to be a useful categorisation.

P1. Learning is primarily organised to occur on-the-job with systematic input from teachers/trainers who are employees of the enterprise.

P2. Learning occurs within a structured program involving a mixture of on-the-job and off-the-job learning. The off-the-job learning may occur in dedicated "classrooms" within the enterprise or may take place in the premises of an external RTO. The off-the-job component may involve only employees of one workplace or they may come from a number of different employers.

P3. Learners apply training in their everyday work guided by printed or electronic training materials. This may involve study of materials outside working hours.

BEST COPY AVAILABLE

As well as programs which don't neatly fit these categories, we've also observed programs which combine features from the categories. However, rather than create a "mixed" category, we've retained these distinct classes. A program which combines two or more categories will need to be dealt with as though it fell in both.

Some Examples

GrainCorp - Model (R1, P2)- Enterprise RTO/Mixed delivery

GrainCorp is the enterprise which owns and operates grain silos and manages much of the handling of grain throughout NSW. It is a Registered Training Organisation and employs a small number of training staff who coordinate two nationally-recognised courses, Certificate 2 & Certificate 3 in Grain Handling Operations.

Trainees in these courses are located in GrainCorp operations scattered throughout NSW. The Trainees spend about 60% of their time learning on-the-job under the supervision of trained and qualified employees (usually their supervisors) and these modules of the course are assessed by qualified assessors in the workplace. The remaining modules are delivered off-the-job in central locations to which all Trainees are brought. These modules are taught and assessed by GrainCorp staff or by other RTOs under contract.

The qualification is issued by GrainCorp as the RTO.

Furnishing- Model (R3, P1) - External RTO guidance/On-the-job delivery

A range of Furnishing Traineeships are provided by the NSW Furnishing Industry Training Council which is the RTO. A number of these (such as Soft Furnishing) are designed to be delivered wholly on-the-job. The employer or supervisor (who need not be qualified as trainers) are provided with course materials and logbooks. The provider is available for discussion on difficulties encountered and may visit to provide oversight and assistance. The RTO carries out assessment using qualified assessors and centrally-developed assessment tools.

Pharmaceuticalal - Model (R4, P3) - Shared responsibility/ Materials-based

The Pharmaceutical Traineeship is primarily based on the use of printed guides. These comprise the totality of the structured nature of the program. The trainee in almost every case never meets or comes into direct contact with any representative of the RTO. The guidebooks provide the

BEST COPY AVAILABLE

whole content of the program and this is supplemented by whatever internal support or assistance that is available from the pharmacy in which the trainee works.

When a public agency seeks to support activities of private sector organisations in the public good, a number of complex issues arise. When this occurs in a relatively poorly understood area such as learning in the workplace, the complexity of the issues multiplies. In this section we look at a range of issues which have been highlighted during the course of the study.

The Issues

Balancing incentive and quality, employer and learner needs

BVET's plan to provide public funding is intended to encourage workplaces to expand their involvement in workplace learning opportunities. In particular, this should occur in ways which will lead to the award of nationally-recognised qualifications. At the same time, the department seeks to ensure that all such learning at least meets specified quality standards and preferably is of the highest possible quality.

We know, however, that business has consistently identified the "imposition of bureaucratic barriers" as a significant disincentive for it to participate in the National Training Framework. Almost all of the enterprises involved in the case studies carried out for this report expressed some form of concern about the restrictive nature of current funding arrangements.

Among the industry-based programs surveyed as part of this study, those which appeared to be most successful were ones in which the RTO was closely identified with employer groups and who saw their first responsibility to be to the employers rather than the learners. This has been observed in other studies as well (see eg Johnston, 1997).

The question arises then, what should be the proper balance between quality conditions being established as part of DET's funding regime and funding being provided in ways and at levels which make it a positive incentive? Likewise how are the interests of employers and learners to be balanced? This appears to be a central issue and we will return to it in later discussions. However, this study has also identified a wide range of other issues which a funding system will need to address.

BEST COPY AVAILABLE

Funding the Range of Roles

Some RTOs operate exclusively or primarily as brokers in the sense that they organise and coordinate aspects of the provision but do not themselves "provide". These appear to be effective approaches in many cases.

In other cases, the RTO is required to coordinate a range of people and organisations who may be widely dispersed geographically or operate in very different ways.

However these coordination and management roles do not appear to be adequately recognised in current funding guidelines and providers are concerned that this is affecting the quality of programs they can deliver.

Similarly, current funding approaches do not appear to provide for important preparatory arrangements—for example, development of firm-internal infrastructure, training of trainers and assessors, development of teaching/learning resources, etc. The lack of funding for some of these appears to be a disincentive to train &/or a problem for those who try.

As well, the cost of producing materials suitable to meet special learning needs—for example the language and literacy needs of a specific group—needs to be recognised.

Questions which a funding model needs to consider include:

1. How do funding models account for situations in which there may be many players each with defined roles? Should funding be provided on a uniform basis regardless of the number of players or the diversity of their roles?

2. Does funding need to involve separate components for different roles - eg development, coordination, delivery, assessment, etc?

3. Should the funding provided by DET cover all components or should some components be funded from other sources? For example DET funds delivery and DEETYA funds the language and literacy component. Should/can BVET assist providers by assisting in packaging these funding sources into a single arrangement?

Target Groups

The case studies indicated that the needs of learners from target groups (groups of learners who've historically been under-represented in VET programs) was not a major concern for many workplaces. Unfortunately this was the

case simply because such learners were usually not selected for employment. If public policy on access to learning for these groups is to be realised, it appears that funding needs to be seen to compensate for the additional costs employers believe will accrue during employment and training. Employers are particularly concerned at the level of support that will be available to them to assist the trainees with any learning problems which arise.

While there are good grounds for believing that, in some cases, the additional costs are either non-existent or much less than expected, the strong perception that exists will need to be explicitly addressed. It is unlikely that funding arrangements alone can address this matter.

Capacity of Workplaces

The capacity of workplaces to deliver outcomes to the specified standards needs to be assessed. Many enterprises do not have the ability to provide the full spectrum of training because of the nature of their work. Others do not operate to quality standards suitable for use as the basis for training. This is also an issue where the funding goes to an RTO who then places trainees with employers.

Linked to the above are concerns about the quality of trainers/assessors in the workplace. Many who act in these roles do not have any formal training qualifications and receive little supervision or support. Indeed, many are not themselves qualified in the relevant vocational area. Further, the gap between training as a trainer or assessor and the time when those skills are put into practice is often prolonged and there were suggestions that significant forgetting can occur.

Questions which a funding model needs to consider include:

1. Should it be a requirement for funding that the workplace supervisors &/or assessors are qualified or that they are appropriately supervised? If not qualified, should the level of supervision be higher? Should they be required to demonstrate current competence in the areas of learning they will supervise?

2. Should it be necessary for the organisation being funded to demonstrate that they have a plan to deal with situations where workplaces do not have the work or the competence to train or assess in components of the qualification? Is a plan (eg rotation of trainees among firms, external assessors) sufficient or should the organisation be required to demonstrate the capability to implement a solution? Is it reasonable to expect this level of involvement from small enterprises?

3. How should the funding agency be involved in ensuring that workplaces are adequate to the responsibility they are taking on? How does this relate to the responsibility of other agencies, eg VETAB?

Program Design

A problem sometimes arises concerning the sequencing of learning when modules are delivered off-the-job. One example given was that fumigation of crops occurs at different times throughout NSW. It is difficult (impossible?) to arrange for all trainees to do this module before/concurrent with practical experience. Should a funded program operate in this way or should such a module only be delivered on-the-job? Is this a decision a funding agency should be concerned about?

Adequacy of Information/Coordination

The case studies have shown that significant issues can arise because of lack of adequate access to information about funding and other assistance. For example in one case, trainees' travel was restricted because the provider was unaware that travel costs could be paid.

Trainees, too, are often badly served by the information available to them. They are typically unaware of their rights or obligations, are unaware of sources of support and advice outside the circle of their employment contract.

Another issue identified is that funding needs to be integrated with other approval structures so different program activities don't get out of alignment. Eg trainees starting before funding is approved &/or materials are available.

1. Are current initiatives to improve accessibility of information adequate to handle this difficulty?

2. Often there appear to be a range of different sections/ organisations involved with different segments of initiating and operating a program. How can information on their roles/responsibilities be better coordinated?

3. Should a single front-line agency handle all procedural matters? Or can funding and approval agencies better integrate their administrative processes?

Lack of Predictability of Costs

Many enterprises involved in the case studies have had little or no prior experience with the training market. They reported a wide variation in the costs of external consultants and providers and, because they were unaware

BEST COPY AVAILABLE

of this, and often are not in a position to negotiate these before applying for funding, they can find training operates at a significant loss. This is a powerful disincentive to follow on with further training and knowledge of the difficulty seems to spread rapidly among other organisations.

1. How can a more stable market in terms of costs be established? Should BVET take a role in creating greater stability?

2. Would the availability of better information on likely costs, and the ranges which could be expected, assist?

Adequacy of Funding

Case studies suggest that travel costs, for example, need to better reflect actual costs rather than some notional average. It was noted that rural travel costs are often higher than currently provided for and that the nature of some programs involves significantly more travel than others.

Other issues concerning the levels of funding that were raised related to coordination and the need to customise programs, especially in the case of students with specific learning needs.

The effectiveness of the administration of funding was also identified as an issue. In one example, no funding had been provided four months after the program had started.

1. Should funding arrangements reflect the differing costs of components across industries, regions, etc or should a uniform costs model be applied?

2. Can mechanisms for delivering funding be improved? Should funding agency guidelines include guaranteed service standards?

Tightness of Guidelines

Respondents have expressed the view that funding arrangements need to be able to deal with innovative or different approaches rather than seeking to force programs to comply with preconceived notions.

To ensure program quality should guidelines define clearly the nature of programs which would be funded or should they be flexible enough to accept the occasional innovative approach? If they are flexibly defined, how can consistency of interpretation be managed?

Method of Payment

There are concerns that current arrangements for funding some programs do not encourage enterprises to deliver quality outcomes. In particular, the size of up front payments was felt to encourage enterprises to abandon any serious commitment after receipt of the initial payment.

1. Should the initial up front payment be either reduced in size or contingent upon demonstration of satisfactory performance?

2. Should payments after the first be linked to learning outcomes?

Miscellaneous

Some case studies have identified problems where existing employees who lack a qualification are involved in training younger trainees to get a qualification. In some case this has led to Trainees learning inappropriate behaviours or outdated techniques, in others it has led to disruptions in the workplace some of which have themselves affected the quality of learning. In a context of declining employment, providing new entrants with skills and qualifications not held by long-standing employees can be threatening. To then ask these older employees to train the new entrants heightens the tension.

Is there a need for programs to have undergone some preparatory phase dealing with existing employees?

Implications Arising from the Issues

A number of the issues outlined above concern issues of state policy which are unlikely to be encompassed within a set of funding principles. This is not to say that these are unimportant. On the contrary they are vital and it will be of great importance that they are addressed. These issues include:

- The need to clarify the intent and purpose of programs funding workplace learning. If the primary intention is to encourage growth in workplace learning programs, then a higher risk strategy would be appropriate and the more critical is the need to ensure effective administration of the funding program. If the primary intention is to ensure quality, then a more conservative approach is indicated.
- The required balance between generic skills and enterprise-specific skills. Smaller enterprises, in particular, clearly express the view that their priority is to train for the skills they need and only the skills they

need. There are, however, strong countervailing arguments that the greatest public good comes from providing skills and qualifications which are transferable between enterprises and that it is the enterprise's responsibility to provide for enterprise-specificity. Should public funding support the development of enterprise-specific skills or should it only support programs which develop industry-wide competence?

- The existence of a range of funding regimes administered or initiated separately by the Commonwealth and State governments.

  A major source of current funding for workplace-based programs is the Commonwealth Apprenticeship and Traineeship subsidies. The State appears to have no capacity to modify these programs but differences between these and State-controlled programs in their criteria, payment regimes, etc are a significant disincentive to those who only see a complex array of bureaucratic red-tape.

More specifically, however, it appears that there are some broad principles which should apply to the funding of any workplace-based program and others which will determine whether, and to what extent, specific kinds of programs are funded.

Broad principles suggested by the issues discussed above will need to determine:

- whether or not funding operates on some flat-rate base or is variable and involves a range of different components
- who should be the direct recipient of the funding—the RTO or the enterprise(s)
- whether audit arrangements under the Australian Recognition Framework are adequate or further quality assurance procedures are required
- responsibility for ensuring that funded organisations were fully aware of the nature of the obligation they were taking on and the distribution of responsibility between the RTO and the workplace.

Additionally the funding guidelines based on the principles need to relate to the specific program types and will consider:

- the structure of the learning program
- the nature and needs of the proposed learners
- the extent to which initial development work is required
- the capacity of the workplace(s) to deliver all or parts of the program

BEST COPY AVAILABLE

- the unique requirements of the organisations and learners involved, eg geographic dispersal, rural/urban location, etc.

BEST COPY AVAILABLE

DRAFT FUNDING PRINCIPLES

The following draft principles have been developed with a view to providing a reasonable level of flexibility to workplaces while simultaneously ensuring that reasonable standards of quality are maintained.

General Principles

G1. *Funding arrangements should be primarily designed to facilitate the growth of the overall training effort.*

The purpose of proposed funding arrangements is to improve and expand delivery of recognised training through workplaces. It is not intended to substitute for employers' responsibilities to train their workforce and is not a means of shifting costs from the private sector to the public purse..

G2. *Funding should be provided only to Registered Training Organisations for programs delivered under their mandate.*

Currently, courses are attached to provider registration. However, this will no longer be the case. RTOs will be obligated under the terms of their registration to ensure that the programs they deliver meet nationally-recognised quality standards. Moreover under the provisions of the Australian Recognition Framework and the National Core Standards which it encompasses, RTOs will be audited for compliance with those requirements. Funding directed only through RTOs and only to programs under their supervision is the most direct and effective means of ensuring that quality standards are maintained.

At the time of funding, organisations need to demonstrate that they continue to comply with the requirements for registration as an RTO and that they have the ability to deliver all aspects of the program to an acceptable standard.

Firms are increasingly operating in highly-specialised niche markets. Consequently many have lost the ability to provide learning opportunities for the full range of skills in a recognised qualification. Moreover, employee turnover in firms can be high and trained and qualified trainers or assessors may no longer be available to oversee the program delivery.

Programs which are primarily delivered on-the-job (Type P1) are heavily dependent on the quality of the workplace trainers involved. Where the program

involves higher-order competencies or greater theoretical understanding, the trainers must be competent in providing for learning approaches that meet that requirement.

Where this principle is satisfied via management supervision, the STA must be satisfied that the nature of that supervision can guarantee quality outcomes.

G3. *Priority for funding should be provided to programs which deliver outcomes which are transferable to a range of enterprises within the relevant industry sector or which provide portability across industries.*

Programs which prepare employees to operate effectively only within a single enterprise or a restricted range of workplaces should not generally be supported by public funding. Recognised qualifications exist for the purpose of providing transferable skills in ways which maximise the community benefit of the training investment.

G4. *Funding for workplace learning should be provided on a basis which reflects the variables in costs rather than on a fixed-rate basis.*

Workplaces vary widely in their nature and the means by which they operate. This has profound implications for the costs of providing quality, recognised training. For example, an organisation with a few trainees in locations spread across NSW will incur higher costs in coordination than one with all its trainees at a single site.

This research suggests that funding should be allocated within a number of distinct categories: preparation, coordination, delivery, assessment. Alternatively a complex funding model of the kind adopted in Queensland could be considered. In the following section, suggestions are made as to the implications of different program designs for funding.

G5. *Funding arrangements should encourage industry to share in the total cost of developing and delivering nationally-recognised training.*

While workplaces currently commit significant resources to the training of their employees, they make only a relatively small financial contribution to the delivery of nationally-recognised qualifications. The community, however, has much to gain by encouraging industry to refocus its training expenditure to provide opportunities for learners to develop the kinds of comprehensive skills packages which AQF qualifications

define. There is clearly some reluctance in a number of workplaces to fund learning which does not provide immediate returns. Incentives which reward workplaces which contribute may provide a means of allowing a different culture to emerge.

G6. *All trainees in funded programs should have access to a source of advice and support independent of the employer and the RTO.*

Both the RTO and the employer have vested interests which may, at times, conflict with the interests of the Trainee. In situations where this arises, the Trainee needs to have access to informed, independent advice. Such a source may also provide an avenue for complaints and dispute resolution.

G7. *Funding should be arranged in ways which explicitly encourage RTOs and workplaces to provide training opportunities for individuals from the target groups.*

The *NSW Charter for Equity in Education and Training* requires that "in the allocation of public resources, priority is given to narrowing those gaps ...that reflect need and prevailing social inequalities." There is evidence from these case studies that a proactive program of encouragement is required to overcome the quite considerable resistance of many current workplaces to the inclusion of learners with special needs in their programs. Further, program funding should be structured to reflect the costs of providing specific language, literacy, numeracy or other special assistance that individual learners may require. By ensuring that such funding is explicitly identified, workplaces may be more willing to undertake training for target group learners.

Workplaces have little experience or understanding of how to integrate language and literacy issues into learning programs and need assistance and support to achieve this.

G8. *Funding should be provided on a staged basis and should require satisfactory evidence of performance.*

Strong standards of accountability of public monies should operate. The initial tranche should reflect the need for start-up costs wherever appropriate. Subsequent disbursements should be on a regular timescale agreed between the parties. The arrangements should, however, also provide for renegotiation of schedules or amounts in the light of emerging needs. Regular, periodic payments (no greater than 3-monthly) enable the STA to ensure that all

BEST COPY AVAILABLE

learners are still involved and that the program is performing.

Audit requirements under the AQF should be monitored to determine their adequacy for this additional purpose. If found to be insufficient, any additional requirements need to be integrated with the RTO's existing audit requirements.

G9. *Processes used by the funding body and all those participating in providing training should be open and transparent.*

Many of the difficulties experienced in existing programs arise from inadequate, incomplete or absent information. Funding arrangements of the type proposed should be seen as mutual obligations in which each party has defined responsibilities.

Wherever possible, applicants should be able to receive all necessary information and complete all necessary paperwork in a single location.

The funded body should identify the way in which the funding will be distributed amongst the RTO and each participating workplace where these are distinct. The application should also clearly identify the specific roles proposed for each. Wherever possible, each organisation should indicate its agreement to the proposal. This has especial application in cases where programs are of Type R4.

Applications for funding need to demonstrate that all participating organisations are aware of their roles and the funding which is being sought to assist with that role

Issues in developing Guidelines

a) Programs of Type P2 must demonstrate that there is adequate communication and liaison between those responsible for the on-the-job and off-the-job components. There is clear evidence that effective models of integrated training require that the workplace and classroom are in tune with others needs and requirements. While perfect coordination is not always possible, a high level of awareness is a significant contributor to quality.

b) When programs rely heavily on printed or electronic resources, the RTO must satisfy the STA that the materials are suitable for the target audience and are sufficient to meet the needs of the relevant program components.

BEST COPY AVAILABLE

Resource materials are not suitable for all learners and are more appropriate for some components than others. Materials need to be regularly reviewed and amended and a system of maintenance is a critical requirement.

c) Decisions to fund a program should draw upon an assessment of learner needs and characteristics. Where this indicates that the program will/may involve learners with special needs, a plan for meeting those needs should be included and should involve a specific funding allocation.

Significant numbers of learners engaged in workplace programs have special needs and this would increase if the participation of target groups also increased. RTOs need to demonstrate that they are aware of their prospective student populations and have planned to meet their needs. The plan should identify what information about the program will be available to prospective learners.

d) Programs located in rural areas or which involve learners in many different locations should not be disadvantaged by the higher costs of such programs. Similarly, programs involving high numbers of learners from target groups should be assessed on criteria which exclude the higher costs of the specific learner population.

Equitable access to learning is a key principle which the funding program should endorse.

e) Whatever approach to funding is adopted, quality learning is only possible when built upon a solid foundation of preparation. RTOs need assistance to modify existing programs or develop new programs to meet the needs of specific workplaces and specific groups of learners.

Moreover, workplaces need assistance to help them prepare for the variety of roles they will be expected to fulfil. In particular they need to be adequately trained to handle the mentoring, coaching or assessing roles they may assume. It is not sufficient that they have expertise in the content without also having expertise in the processes of learning and assessment.

Learning materials need to be "user-friendly" and to be developed using language and in formats which are accessible by all the prospective learners. This requires a level of expertise not available in most workplaces and, indeed, in a great many RTOs.

In both models R2 & R3, the external RTO will need to play a major role in the assessment process in a way which is distinct from the normal in-line assessment

which is likely to be most central in Type R1 programs. This means that assessment needs to be seen as a distinct and additional function and would need to be specifically identified in the funding arrangement.

As well RTOs need assistance in matching trainees and workplaces and clarifying the expectations and obligations of each party.

Programs of Type R2 require targeted funding assistance for coordination. When programs may require job rotation among trainees to ensure exposure to the full range of competencies, a high load of coordination and liaison will be created. If this is not adequately provided for, quality will suffer.

NEXT STEPS

The principles identified in the previous section represent an initial attempt to identify the key factors which a funding regime should incorporate. At this early stage in the more widespread adoption of structured workplace training experience is scattered and constrained by existing practice. For these reasons, the draft principles are broad but, we believe, provide a sound framework within which a more detailed set of guidelines could be developed.

However, there remain a number of core policy issues which must be addressed before guidelines can be put in place. These matters will greatly influence the nature of the final set of funding arrangements adopted.

The following set of recommendations suggest further action which should be taken by BVET in developing its final position.

Recommendation 1

That BVET should establish the feasibility of establishing a single program for supporting workplace learning which would incorporate existing Commonwealth and State programs and those currently proposed by BVET.

Recommendation 2

That BVET should explore the possibility of more closely aligning registration and audit processes under the ARF with its funding arrangements as a means of simplifying its interactions with RTOs and employers. Alternatively or in addition, local DET offices might monitor programs on a regular basis.

Recommendation 3

That BVET should develop a comprehensive set of information for applicants and Trainees which clearly defines the purpose of its funding program(s) and the mutual obligations of the Department and those being funded.

Recommendation 4

That using the draft principles provided above, DET develops a set of funding guidelines and procedures which it circulates widely to RTOs, to workplaces involved in training and to industry bodies for comment.

The guidelines and procedures should draw on the issues highlighted earlier in this report and in the literature review (see Appendix 2). It would also be preferable if the

BEST COPY AVAILABLE

documentation included examples of good practice, helpful promotional literature and the like.

Recommendation 5

The new funding arrangement be introduced on a pilot basis and monitored over a period of time to assess its effectiveness, identify necessary amendments and ensure that it remains relevant to changing policy and industry contexts.

APPENDIX 1 - CASE STUDY PARTICIPANTS

Name	Organisation
Noel Parish	NSW Mining ITAB
Paul Russell, Susette Van Der Linden, and Sharlene Wellard	Restaurant and Catering Association
Lassie Gorhan & Danielle Newbury	Mobil Service Station, Marks Point
Steve Ferris	Power Coal Mining Services
Peter Gray	P & J Gourmet Catering Services Sulphide Welfare Club
Maxine Goodman, Graham Cox & Veronica Bondarew	The Pharmaceutical Society of Australia
Karel Davey	Pharmacy Guild
Tracey Tressida	Town Hall Pharmacy
Jenny Robinson, Jack Brown & Jenny Brown	GrainCorp
Ken Eggans	Instant Windscreens
Richard Stokes	NSW Furnishing Industry Training Council
Kay Berryman	Woolworths
Vesna Boban, Ray Smith and Yuan Wang	Uncle Tobys
Donna Hensley	Hunter Institute of TAFE
Phil Connell, Robin Hewitt, Dennis Ainsworth and Julie Smith	Quality Workstyle Centre Lake Macquarie City Council
Lillian Tiddy	Local Government Association
Bill Grose	Institute of Automotive Engineers
Douglas Greening	NSW Construction ITAB
Rod Vinten	NSW Public Sector ITAB
Marilyn Jolly & Nerida Russell	Wesley Heights Nursing Home
Lyn Van der Wagen, Chris Manwarring and Di Daubin	Community Services, Health, Tourism and Hospitality ESC TAFE
Leanne Packman & Nicki Sleeman	Retail & Wholesale TAFE, Narrabn
Phillip Bennett	Retail, Wholesale and Associated Services, Bus and Pub Admin ESC, TAFE
Mark Buckley, Sue Ohanian, Robyn McDonald & Rachel Walsh	Waterways
Amanda Dunn,	Australian Hotel Association
Bob Harding	Film and TV School, North Sydney TAFE
Jim Koutsomihalis & Paul McCraw	CENEDEB
Anna Russel	Access and Foundation ESC TAFE

APPENDIX 2 - LITERATURE REVIEW

Helen Connole
Adjunct Scholar
University of South Australia

CONTENTS

INTRODUCTION 24

KEY FEATURES OF EFFECTIVE WORKPLACE LEARNING 25

Management and organisation of workplace learning 25

Workplace training delivery to facilitate learning 27

Quality assurance approaches to best practice 29

Summary of "best practice" 30

CONTEXTUAL FACTORS THAT INFLUENCE WORKPLACE LEARNING AND TRAINING 30

Factors affecting the demand for training 30

Incentives and disincentives to engage in government funded training 30

Needs of small business 32

MEANS BY WHICH WORKPLACE LEARNING EFFECTIVENESS MIGHT BE MONITORED 32

A SET OF DRAFT PUBLIC FUNDING GUIDELINES AND/OR PRINCIPLES 33

Selection criteria for funding 33

Choice of outcome indicators and their consequences 34

Distortions and inequities created by the operation of a market system 35

REFERENCES 36

INTRODUCTION

The development of a market based approach to VET in Australia, while evident over the last decade, is currently marked by 'a more concerted approach to implementation' (Anderson 1996: 12). Consideration is now being given to the requirements for managing devolution of training funds under user choice mechanisms, including workplace based entry level training under New Apprenticeships and other forms of

BEST COPY AVAILABLE

training for the existing workforce. These changes have shifted choice of provider and aspects of training provision to clients, but retained government management of the associated resources.

The introduction of market reforms has generated considerable policy discussion, summarised by Anderson (1996: 15) as ranging from 'market advocates [who] tend to extol the virtues of competition, arguing that the discipline of the market will enhance efficiency, flexibility, diversity innovation and responsiveness' to critics who argue that the market 'will distort the educational purposes of VET provision, devalue its social and cultural functions, aggravate social and economic inequality, and undermine democratic control and accountability'. Within this context, a focus on best practice in workplace learning and its implications for the funding of training programs will be a valuable contribution to the policy debate.

There is now an extensive and multidisciplinary literature on workplace learning and training, both Australian and international. The review is focused selectively on recent studies drawn from management and organisational learning, and VET policy and practice. A number of related terms are in use in the field, including workplace training, workplace learning, on-the-job training, on-site training and work-based training. For the purposes of this study the term 'workplace training' will be used to refer to formal training programs based substantially in the workplace, but which may contain some off the job components. 'Workplace learning' will be used when the nature and quality of learning experiences at the work site is being discussed.

KEY FEATURES OF EFFECTIVE WORKPLACE LEARNING

In this review, effective workplace learning has been discussed within the framework of the 'best practice'. As defined by ANTA (1994, in Misko 1996:26) this refers to 'the co-operative way in which enterprises and their employees continuously improve business activities in key areas including leadership, planning, people and customers'. It may involve benchmarking against other organisations or external standards. A number of views of best practice in training are examined below, including the 'expert' literature and views of employers and trainers.

The broad literature on effective learning environments in the workplace emphasises the ways in which learning and training are embedded in the culture of the enterprise; including their integration with strategic vision and planning, changes in work organisation and technology use, and employee relations and industrial relations issues such as remuneration and employment security. It also notes the need to 'ground' the advocacy of organisational learning both in specific organisational contexts and in practical strategies with clear goals and measurable outcomes. Extensive reviews of this material can be found in Learmonth (1993), Sefton, Waterhouse and Cooney (1995), Misko (1996) and Harris and Volet (1997).

Management and organisation of workplace learning

The broad organisational context, especially the impact of workplace culture, is an important element in workplace learning effectiveness. It constitutes a 'top-down' element in that it needs to be driven from senior levels of the organisation, and include the perceptions that learning is valued, that new ideas and alternatives are welcomed and that open communication is encouraged (Watkins and Marsick 1992, Sefton, Waterhouse and Cooney 1995, Field 1995).

Training is only one element contributing to effective workplace learning environments. Training programs and those delivering them need to be 'immersed' in the workplace, to contextualise skills development, to draw upon, expand and disseminate workers' knowledge and skills, with links made to workplace problems and agendas for change. This requires recognition of the perspectives of multiple stakeholders in the training process (Sefton et. al. 1995, Field 1995).

In their study of 17 organisations across a range of industry sectors Harris and Volet (1997: 5) identified the following key features of workplace learning cultures:

BEST COPY AVAILABLE

- a clear sense of vision and direction, with a focus on the role of learning
- a strategic approach to learning, tied to a clear implementation framework for the vision and direction
- systemic features which facilitate continuous learning, including:
  - flattened working structures within the organisation, using work teams and projects
  - focused learning which is clearly linked to organisational goals and needs
  - a broad range of learning opportunities that are as close to the immediate work environment as possible
  - open communication channels
- a workplace learning culture which includes:
  - strong senior management commitment
  - recognition of expertise at the site of operations
  - a positive climate of trust
  - appropriate incentives and rewards.

They noted that the development of such a culture is a long term project, with many of the organisations they surveyed having had this focus for 4-5 years, that the process is complex and that organisations will be at different stages of the process, having made varying degrees of progress on each element.

A critical feature is that learning is integrated with the organisation's strategic direction and with broader change processes and that a capacity to foster learning on an ongoing basis has been developed. Similar findings are reported by Sefton et. al. (1995) in an extensive study of workplace learning in the automotive industry. For example they recommend that training needs analysis be replaced by a broader learning environment analysis in which the overall environment for workplace learning and needs for ongoing monitoring in the context of workplace change are identified. Field (1995) in his guide to the implementation of organisational learning, identifies similar features of workplace learning cultures.

Misko (1996) reports on a national study of costs, benefits, incentives and best practice in work based training, including survey, case study and interview data, which provides one of the most comprehensive recent data sets in the field. This report derived a list of best practice features from a literature review. It included, as management criteria:

- development of a training plan integrated with a strategic business plan and with senior management, worker and union support
- ownership and credibility, derived from a skills and needs stocktake, consultation with specialists and employees, and appropriate training to underpin team work
- systematic development of the training program, including clear outcomes and feedback
- accreditation of training
- a decentralised approach to training within the organisation, with local ownership.

This study also asked employers and trainers about their concepts of best practice. What was notable in both groups was the way in which best practice was viewed through the lens of the specific enterprise and its concerns, rather than as a set of general principles.

Employers would evaluate training effectiveness principally on the basis of improvements in work performance and feedback from internal and external clients. Those who responded to the invitation to define 'best practice' focused on aspects of efficiency, effectiveness and productivity with some recognition of benchmarking. Experienced trainers defined best practice in terms of ethical provision of training which avoids 'rip offs', adherence to relevant guidelines, a realistic approach with recognition that best practice is a 'moving target' which needs constant refocussing, and the role of benchmarking and quality assurance.

Sefton et. al. (1995) suggested several elements of a workplace learning environment which are especially relevant for employees. These included a learning-focused workplace culture, recognised procedures for identifying existing skills and future skill needs, policies for an internal labour markets linked to training, employee rewards and benefits from training, and opportunities for formal and informal learning for all employees.

Workplace training delivery to facilitate learning

A second context could be considered as 'bottom-up' and focuses on the ways in which training is developed for and integrated into work and workplace settings, including group settings, with an emphasis on facilitating the conditions for workplace learning. This literature has demonstrated the importance of understanding 'transfer' of skills in real world contexts, both as transfer of learning for individual workers and transfer among workers across internal boundaries between functional areas or specialisations and within hierarchies. Another strong emphasis is on the need for close integration of formal and informal learning and the development of 'learning how to learn', skills not only in problem solving but also in identifying and addressing new learning needs (Billet 1993, 1996, Gott 1995, Sefton, Waterhouse and Cooney 1995, Field 1995).

Taken together, the literature suggests the following criteria for best practice in training development and delivery.

Workplace consultation to plan training, involving employees, supervisors, unions and other key stakeholders (Sefton et. al. 1995, Field 1995, Misko 1996). This element provides a link between the management and organisation of learning and its actual delivery, so that links to organisational goals and directions can be made. There needs to be clear responsibility for management of training, whether this be with a training committee, training manager or designated line manager or employee.

Quality of training resources, staffing and delivery processes. Expertise in developing training materials, the availability of trained facilitators, and workplace coaches/ mentors for the on the job component are important components of best practice. Sefton et. al. (1995) note that workplace learning may be facilitated by both training providers and fellow workers. The skills they require include support for innovation, experimentation and considered risk taking, responding to and managing change, and the ability to turn critical incidents or mistakes into learning situations, in addition to skills necessary for other forms of instruction. Trainers need to move away from delivery of 'pre-packaged' materials to frameworks based more on collaborative dialogue and action learning.

Time needs to be made available in the workplace to contextualise workplace programs (Sefton et. al. 1995). Training materials may need to be customised for enterprise or employee needs, but not over-customised to the point where portability is endangered. Learning resources need to be current and able to be integrated into the particular workplace (Misko 1996).

An important element of high quality learning is the capacity to provide 'authentic' learning experiences (Billett 1994) in which opportunities to learn in real workplace settings where the outcomes 'matter' are

provided. The bringing together of formal knowledge and situational experience is critical here, what McIntyre (1996: 108) describes as the 'formalisation of learning as knowledge'. Sefton et. al. also emphasise the importance of time and opportunities for experiential learning and reflection.

Harris, Simons and Willis (1996) also report the need for close attention to the integration of off and on-site training, needing an investment of time, and the active support of trainers and mentors from both training provider and workplace. The importance of opportunities to apply basic skills to new situations was also emphasised. In case studies of apprenticeship training Misko (1996) reported that close liaison with managers and supervisors of apprentices, structuring of on the job training to develop a broad skills repertoire and rotation of apprentices to different areas were all effective strategies.

Flexible approaches to delivery are also frequently included as elements of best practice, but the types of flexibility required will vary widely across workplaces, and there may be some conflicting needs between desired flexibility for employers and employees. Training which is customised for learners, uses a range of delivery modes (eg open learning, technology-based and practical experience), and is delivered on-site, in training facilities for generic content and on the job for skill development, is an element in successful practice (Misko 1996). Other aspects of flexibility for employers include the scheduling of training to fit work cycles and response to demand. Delivery in work time has been identified as important for employees (Pearson et. al. 1996).

One issue which has not received much attention in the literature on best practice is the quality of approaches to training using new technologies. Reference is found to the use of diverse delivery methods, including technology based methods, as an element of best practice. However what constitutes 'best practice' in technology based delivery itself is not addressed. The literature on open learning and distance education, in both VET and university settings, would yield further information on this area.

Integration of language, literacy and numeracy training. A major review of the impact of ESL and literacy training in Australian workplaces (Pearson et al 1996: 13-14) has recommended that government and other agencies promote as best practice the full integration of language and literacy skills into workplace training programs, rather than stand alone or 'generic' language and literacy training. It is also recommended that all policy making and funding bodies address and promote the view that language and literacy is a key element in all training situations, and that language and literacy skills required of participants for successful participation in workplace training programs, and in subsequent workplace performance, need to be made explicit and addressed as part of the program.

Issues of workplace diversity, access and equity. Broad policy issues in this area are discussed in the final section of the review. Golding, Volkoff and Ferrier (1997) have derived, from a review of recent access and equity research in Australia, a summary of specific issues and barriers, and strategies for addressing these, for each equity group, as well as a set of general strategies common to all groups in the areas of recruiting, facilitating entry, ensuring program relevance, developing program flexibility and enhancing the learning environment. They identify the relative dearth of workplace related literature on access and equity issues in delivery, but their data are a useful starting point for a consideration of best practice. Access to equity expertise and resources in the development and delivery of training is a key feature of best practice.

Assessment and RPL/ RCC. The need for best practice in workplace assessment is noted in the literature but there is less material on indicators of best practice than for other elements. It is agreed that assessment needs to include recognition of prior learning and current competencies. Sefton et. al. note the need for 'holistic' assessment processes and Misko (1996) states that assessment needs to be independent, fair and consistent.

Monitoring of outcomes There is considerable emphasis in the literature on the importance of monitoring of outcomes and evaluation in terms of measurable indicators, both in terms of competence

BEST COPY AVAILABLE

achieved and effects on organisational performance. Misko's (1996) respondents recommended the monitoring of cost-effectiveness, objective results, productivity, customer satisfaction, and other indicators such as fewer accidents. For employees outcomes included skills understanding and knowledge, motivation and satisfaction.

Quality assurance approaches to best practice

A further set of approaches to best practice arise from quality assurance and benchmarking perspectives, and are directed at process requirements for the development and maintenance of 'best practice' by providers. Although the indicators of best practice developed in this approach can be expected to overlap with those noted above, the thrust of the approach is somewhat different, and tends to be more decontextualised. The quality assurance approach has raised concerns about audit systems which focus on the language of policy, of documentation that certain systems are in place, rather than on actual implementation and improvement (Yeatman 1994).

A recent example of this approach can be seen in the Benchmarking for Educational Effectiveness Program (BEEP) for OTFE which has produced a number of reports. One area of BEEP activity has produced a discussion paper and developed a framework of critical success factors, key performance indicators and evidence sources for the attainment of devolved recognition of Registered Training Organisations (RTOs) at three levels of devolution; self-managed accreditation of courses, self-determination of scope of delivery and 'declared status' to manage accreditation procedures (OTFE 1997b).

Another project (OTFE 1997a) reported on best practice in work based training delivery of apprenticeships and traineeships used a small case study sample to develop indicators of 'good practice' for enterprises and training providers. Critical success areas for providers were identified as marketing, developing a relationship with the enterprise, developing the training plan, delivery and 'measurable improvement in skills, performance and employability of the trained employee'. For the enterprise, critical success areas were establishing the need for a trained apprentice, developing a relationship with the provider, with the final three areas identical with those for the provider.

An extensive range of indicators is listed for each area. For example, some of the indicators for the provider in the critical success area of delivery are:

- use staff with expertise in customer's required competencies
- have an information system which is current and accessible to customer to provide assessment data, attendance data, latest relevant policy information and training information
- allocate training resources to maximise the productivity of the training
- train to enterprise standards and work practices as well as regulatory requirements
- provide assistance to apprentices/ trainees to ensure optimum performance on the job
- ensure that the nominated trainer is accessible to the enterprise or apprentice/ trainee on and off the job

Each of the five areas contains an extensive list of indicators, and clearly some work would be required to prioritise these and increase their specificity.

Summary of "best practice"

The studies above demonstrate a rich array of indicators of 'best practice' in workplace training, both in the organisation and management of training and in training development and delivery. These provide evidence of what could be set as criteria for funding, but not for the relative importance of criteria, how realistically

they might be applied across a very diverse range of organisations, or 'how much' of each criterion might constitute best practice.

The case studies in the literature are notable for their variability in the ways in which training is organised. Some had training managers, some training committees, some planned training at the operational level. Brokers of training played an important role for some enterprises. Delivery mechanisms were equally varied. Training materials were developed within the organisation or by providers, and commercially developed materials were rarely used. Materials were predominantly group based and face to face.

None of these studies identified different 'models' of workplace learning, although all noted the complexity and variety of arrangements made in individual organisations, a feature also noted by Selby Smith, Selby Smith and Ferrier (1997a), in a study of user choice pilot projects. Many studies demarcated the needs of different sizes of enterprises, with small businesses as a distinct category. The series of studies of enterprise training patterns and their determinants by Hayton et.al. (1996) also demonstrated very wide variation in training arrangements even within the same industry.

CONTEXTUAL FACTORS THAT INFLUENCE WORKPLACE LEARNING AND TRAINING

Factors affecting the demand for training

The demand for training was the subject of a series of studies carried out by Hayton et. al. (1996), which involved a national survey and extensive case studies, and developed a model of enterprise training. The model identified *training drivers* within the enterprise which trigger training activity, including workplace change, new technology, quality, industrial award coverage and training provision in awards, business plans which include training and performance appraisal. *Mediating factors* within the enterprise affect the amount and form of training activity. They included size of the organisation, industry, occupational structure, training infrastructure, level of training decision making and senior management commitment to training. *Environmental factors* outside the organisation which affect training drivers were a competitive environment and deregulation. Overall, the strongest effects on training related to the nature of the industry and the size of the enterprise.

Incentives and disincentives to engage in government funded training

The development of funding guidelines is taking place in a context of a strong advocacy by the Commonwealth of New Apprenticeships, yet where industry and enterprises have had a low take-up rate of government funding incentives. This issue is not confined to Australia; it is discussed in the UK context by Keep and Mayhew (1996) who argue that incentives for employers to invest in training may be weak where the need for upskilling is unevenly distributed across industries, training is seen as a long term investment in the face of economic uncertainty, and other solutions to skill needs, such as 'poaching' skilled workers are available. Government intervention is also limited by the extent to which investment in training depends on decisions about work organisation and business strategy which are part of managerial prerogative. Ultimately, action on these issues becomes the domain of industry policy (OECD 1993).

Research on individual decisions to undertake training suggests that in the work setting, lack of links between qualifications and recruitment, pay and career options are disincentives to engage in training (OECD 1993, Keep and Mayhew 1996). As previously noted, the reversal of these conditions has been identified as a component of 'best practice' in the Australian literature. Hayton et. al. identified the importance of input from individual workers, and from unions, in setting the demand for training and in choices related to training. They report that 'many enterprises quite deliberately vest considerable responsibility in the individual to select their own training' (1996: 10).

In Australia, where VET has historically been overwhelmingly a field of public provision, incentives have been hampered by lack of information reaching clients, especially small businesses. Selby Smith, Selby Smith and Ferrier (1997b) emphasised the importance of information dissemination to all 'users' including potential trainees and apprentices and their families, schools, enterprises, providers and other stakeholders.

Perceptions of bureaucratic red tape and inflexibility have also been widely reported as disincentives (Barnett 1995, Anderson 1996, Misko 1996). User choice pilot respondents identified the need for decision processes which are not subject to formalised and centralised ratification procedures (Selby Smith et.al. 1997). Yet provision of public funding requires accountability. As Barnett (1995: 9) identifies 'the issue is that of determining a level at which quality can be obtained without unnecessary bureaucratic control'.

Issues of cost in competitive tendering are also important. One of these is the cost incurred by providers both by the requirements of the tendering process, for example in terms of quality assurance policy development and implementation, and in the tendering process itself. Several authors have also raised the difficulty experienced by providers operating in a context of short term contract funding, and the constraints this places on quality in staffing and resource provision. Possible solutions are tendering cycles which are long and 'deep' enough for providers to build up such infrastructure, while another might be the development of 'preferred provider' status over longer term cycles of provision, such that some providers are given preference based on selection criteria (ACG 1994 and WADOT 1995, in Anderson 1996).

A related issue noted by Selby Smith et. al. (1997b) is the need for third party access to public training facilities, and the pricing and other terms and conditions of such access.

There are also cost issues for regulatory authorities in the management of competitive tendering, and by enterprises in the development, delivery and monitoring of workplace training.

Issues of costing funding identified by Selby Smith et al (1997b) include the lack of information on the 'true' costs of providing services within the VET sector, especially for public providers, even though considerable work is being done on this issue. There are also issues of commercial confidentiality in the disclosure of costs by both public and private providers under competitive arrangements.

In Misko's (1996) survey sample organisations were also asked to identify additional incentives which would facilitate training uptake. Small companies wanted additional funding for training, wages and facilities while medium and large companies were interested in easier access to existing programs and improved training subsidies.

In the same study, the case studies of organisations involved in workplace learning, many of whom were accessing incentives, found quite a different picture. Incentives were significant in expanding the take up of entry level employment and training, with Workplace English Language and Literacy (WELL) funding notable in training for the existing workforce. Some disincentives were also noted, including lack of familiarity with incentive programs and incentive inflexibility and bureaucracy.

In a review of user choice pilots (Selby Smith et. al. 1997a) respondents indicated that choice was very important to them. Elements of choice included provider, location of training, timing and mode of delivery and quality and tailoring of training. These criteria were reflected in the actual changes which enterprises made to training arrangements in the pilots as compared with their previous training. Major barriers to choice were cited as limited number of providers, lack of information and the time and cost of organising specific training for the enterprise. The rules for apprenticeships and traineeships were not perceived as important.

Needs of small business

Small enterprises are widely identified as a distinctive group with particular needs. They tend to rely more on informal training arrangements (Misko 1996, Hayton et. al. 1996) and have less information about government funding. Selby Smith et. al. (1997b) note that a significant number of apprentices and trainees

BEST COPY AVAILABLE

are to be found in small business and highlighted the role of industry associations, group training companies and other brokers of training in facilitating training in this sector. They suggest that such brokerage organisations be represented in user choice policy development and planning of its implementation.

Sefton et. al. (1995) suggest that small organisations can develop as 'learning organisations' where there is an openness to learning across the enterprise, but may need assistance to locate and access funding opportunities and develop a training plan linked to their business strategy. They suggest that some training could be delivered across the entire workforce, and that issues of cost, flexibility and relevance of available training will need to be addressed. Opportunities for skills development within the enterprise are important. Hayton et. al. also note the potential of the local worksite as a focus for training providers.

MEANS BY WHICH WORKPLACE LEARNING EFFECTIVENESS MIGHT BE MONITORED.

Despite an extensive Australian and international literature search, little information which bears directly on this question was found. Accordingly, a number of indirect approaches to the issue are explored below.

The recent WELL review (Pearson et al 1996) has developed a set of short plain English survey instruments for monitoring the outcomes of training, which were found to be very effective in providing quantifiable data. These were directed at participants, supervisors/ team leaders, management/training/ HR personnel and union representatives. These instruments were able to identify direct cost savings from training, as well as quantifiable improvements in several other indicators. The report recommends their use and modification across workplaces for this purpose.

Another useful feature of the WELL review is the distinction drawn between outcomes at different levels, with a five level structure from a base of personal abilities, attitudes and feelings, through access to training, the implementation of successful workplace training, effects on workplace change and finally higher productivity and competitiveness. Although this framework has been developed in the context of language and literacy training it may have broader application.

A more indirect approach is to establish how Australian organisations currently monitor the outcomes of training. Questions can be asked about what indicators are monitored and how this is done, and about the benefits of training which are reported by enterprises. Misko (1996) found that little prior research is available on costs and benefits of training at entry level, work based training and training for the existing workforce. In her broad employer survey it was found that few organisations kept comprehensive records of training costs and, while benefits of training were widely reported, little formal evaluation of benefits was done. Similar survey findings were reported by Hayton et. al. (1996). Pearson et. al. (1996) commented that, while there was qualitative and anecdotal evidence of the benefits of language and literacy training, quantitative data, especially on workplace outcomes, was absent.

Benefits of training reported by enterprises yield some data about what is considered important in establishing learning effectiveness. In Misko's (1996) case studies of 13 Australian organisations, benefits reported included improvements in worker flexibility and competence, organisational productivity and efficiency, customer satisfaction as well as an improved occupational health and safety record, contribution to organisational goals and culture, and training which was more relevant to the organisation, generated positive feedback and increased employee satisfaction. Similar findings were reported in the survey data from this study.

Another potentially useful pointer to how workplace training effectiveness might be monitored is in terms of the gap between current and 'best' practice, which could guide priorities for monitoring. Misko's (1996) survey also asked employers to rate their current training against a number of indicators of best practice. This showed some linkage to business plans and management commitment, especially for larger

enterprises. There was stronger evidence of consultation with employees and their managers or supervisors and of regular training needs assessments, but less of skills audits or program assessments. Use of language, literacy and numeracy training was low.

Findings of other studies which have examined the effectiveness of monitoring workplace related training may also be of relevance. Thus CESAC (1992, in Anderson 1996) in a review of DEET labour market programs, found that more rigorous selection criteria were needed for providers in training capacity, qualified staff, appropriate criteria, competency assessment strategies, access to facilities, client empathy, post-course support and support services.

A SET OF DRAFT PUBLIC FUNDING GUIDELINES AND/OR PRINCIPLES.

This section contains some exemplars of funding selection criteria, and some broader issues which may have a bearing on the development of funding guidelines.

Selection criteria for funding

The review has not attempted a comprehensive review of selection criteria for previous or current public funding of training in Australia. Little information was found in the international literature. One interesting US example (Liddell and Ashley-Oehm 1995) was a publicly funded State scheme in which enterprises received assistance for retraining of their workforce on the basis of the following criteria:

- commitment to continuous improvement
- decentralised decision making
- flexible team structures
- customer driven product development
- innovative compensation programs involving, for example, profit-sharing or skill-based pay
- participation in an approved school-to-work program.

In Australia, the Workplace Language and Literacy (WELL) program is a long standing and successful Commonwealth initiative for the funding of workplace training (Pearson et. al. 1996). It funds projects on two levels, one at State/Territory level to deliver training or develop training resources, and one at national level to fund strategic activities and resource development Enterprises, training providers and other representative bodies such as ITABs, unions and employer associations, are eligible for funding. Funding cycles are of one year's duration.

Selection criteria for these projects include, at enterprise level:

- the objectives and specific outcomes for the project and their relationship to the aim of the WELL programme
- demonstrated support for the project from the enterprise
- ability of the proposed training to be integrated with overall workplace and industry training strategy and the national training framework
- transferability of materials and/or skills
- support of relevant industry training bodies wherever possible
- value for money

- the outcomes and effective management of previous WELL funded projects
- training delivered during paid working hours or adequate explanation for other arrangements
- the demonstrated need of the enterprise (DEETYA 1997: 11).

Sefton et. al. (1995) note the need for funding criteria to take into account the development time to be spent in the enterprise customising and contextualising training programs, and the need to recognise that enterprises and providers may be in different developmental states/stages. They also advocated the use of formal training agreements, such as those forming part of enterprise agreements.

Selby Smith, Selby Smith and Ferrier (1997b) include the need for 'safety net' provisions in situations where the employer fails to provide a satisfactory training environment.

Choice of outcome indicators and their consequences.

There is some recent international literature on this issue, although much of it is focused on programs to place the unemployed in workplace training. In a UK study Finegold (1996) raises concerns that numerical targets, such as qualifications attained, especially when combined with employer assessment, have led to employers manipulating assessments in order to achieve targets. He also suggests that numerical targets may encourage low cost training at the expense of higher level or more capital intensive training. A possible solution is to improve performance measures to reflect 'value added' to the individual in terms for example, of progress from one competency level to another

Another important issue raised in an OECD (1993) study is that public policies need to be guided in terms of whether they support or undercut the role of the learning enterprise. The latter could occur if policies were to 'squeeze out' other activities which complement or substitute for formal VET provision, for example activities adapted to small enterprises.

Distortions and inequities created by the operation of a market system

There is now an extensive literature on the problems raised for access and equity by a market approach to VET (Barnett 1993, Anderson 1996, Golding, Volkoff and Ferrier 1997, Selby Smith, et. al. (1997b). Specific issues relating to apprenticeships and traineeships are discussed in the paper *Achieving equity in apprenticeships and traineeships* (BVET 1997).

Suggested policy responses to these issues can be found in *Achieving equity in apprenticeships and traineeships* (BVET, 1997) which specifically addresses funding mechanisms to recognise the differential costs of meeting particular needs and the core costs of the overall incorporation of equity standards. Golding, Volkoff and Ferrier (1997) identify a range of useful policy responses, including:

- embracing equity as a goal by all players in the VET system, so they are addressed by all providers
- setting targets for particular groups, with specific strategies, action plans and performance agreements based on consistent definitions
- establishing outcomes monitoring processes which recognise client diversity and that a set of successful outcomes rather than a single outcome may be appropriate for different groups
- recognising and resourcing a range of support costs.

Anderson (1996), drawing on an extensive review of the Australian literature, makes a number of useful points which are relevant to funding guidelines. These include the potential for distortion of funding provision, for example in the direction already set by previous public funding, which may neglect newer and

BEST COPY AVAILABLE

emerging industries, or to industries and providers which are better placed to take advantage of funding. These may not always be those most in need of increased training or those who most closely fit strategic State objectives. Mismatches with labour market needs may also occur, for example away from industries in temporary decline, or where employment is static or slow growing and towards an oversupply in areas of temporary high demand or low cost provision.

The question here is one of which 'demand' is to be met through public provision, 'of who should pay for what part of further education and training' (OECD 1993: 97). There are also questions about the substitution of public for formerly private funding of training (WADOT 1995 in Anderson 1996), which could lead to a potential decrease in overall public funding available for other parts of the VET system under current resource constraints.

Important roles for government in a market driven VET system are identified by the OECD (1993) as including the provision of information to all stakeholders, taking a longer term view of VET needs than market players are willing or able to, and monitoring the role of public providers in setting prices.

A further issue raised by Anderson is the possibility that the increasing regulation of private providers and deregulation of public providers may homogenise the market, in that all providers will become more similar as they compete in a common environment. This may lead to the loss of desirable features which differentiate them from each other, and reduce 'choice'.

REFERENCES

Anderson, D. (1996) *Reading the market: a review of literature on the vocational education and training market in Australia*. Monash University - ACER, Melbourne.

Barnett, K. (1995) *Swings and roundabouts: the open training market and women's participation in TAFE*. NCVER, Adelaide.

Barnett, K. (1995) *Australian industry and enterprise training providers*. NCVER, Adelaide.

Billett, S. (1994) Authenticity in workplace learning settings, in J. Stevenson (Ed.) *Cognition at work: the development of vocational expertise*. NCVER, Adelaide.

Board of Vocational Education and Training, New South Wales Government (1997) *Achieving equity in apprenticeships and traineeships*. BVET, Sydney.

DEETYA (1997) *Workplace English language and literacy 1998 guidelines and application kit*. DEETYA, Canberra.

Field, L. with Ford, B. (1995) *Managing organisational learning: from rhetoric to reality*. Longman, Melbourne.

Finegold, D. (1996) Market failure and government failure in skills investment, in A. Booth and D. Snower (Eds) (1996) *Acquiring skills: market failures, their symptoms and policy responses*. Cambridge University Press, Cambridge, pp 235-251.

Golding, B., Volkoff, V, and Ferrier, F. (1997) *Summary report of access and equity literature on vocational education and training in Australia: barriers, strategies and policies*. Centre for the Study of Higher Education, University of Melbourne, Melbourne.

Gott, S. (1995) Rediscovering learning: acquiring expertise in real work problem solving tasks. In *Australia and New Zealand Journal of Vocational Education and Training*, 3,1, pp 30-68.

Harris, L and Volet, S. (1997) *Developing a learning culture in the workplace*. Monash University, Melbourne.

Harris, R., Simons M. and Willis, P. (1996) Pandora's box or Aladdin's cave: what can on and off the job sites contribute to trainee's learning?, in *Learning and work: the challenges. 4th annual international conference. Conference papers Vol 2*. Griffith University Centre for Learning and Work Research, Brisbane.

Hayton, G., McIntyre, J., Sweet, R., McDonald, R. Noble, C., Smith A., and Roberts, P. (1996) *Final report: enterprise training in Australia*. OTFE/ ANTA, Melbourne.

Keep, E. and Mayhew, K. (1996) Evaluating the assumptions that underlie training policy in A. Booth and D. Snower (Eds) (1996) *Acquiring skills: market failures, their symptoms and policy responses*. Cambridge University Press, Cambridge, pp 305-334.

Learmonth, A. (1993) *Creating a learning environment in the workplace: a manual for managers, trainees, training personnel, union officials and workers*. NCVER, Adelaide

Liddell, S. and Ashley-Oehm, D. (1995) *Adult workers: retraining the American workforce*. Issue Paper No. 4. National Conference of State Legislatures, Washington.

McIntyre, J. (1996) Conceptual challenges in workplace learning research, in *Learning and work: the challenges: 4th annual international conference. Conference papers Vol 2*. Griffith University Centre for Learning and Work Research, Brisbane, pp 103-113.

Misko, J. (1996) *Work-based training. Volume 1: costs, benefits, incentives and best practice*. NCVER, Adelaide.

OECD (1993) *Industry training in Australia, Sweden and the United States*. OECD, Paris.

Office of Training and Further Education, Victorian Government (1997a) *Best practices in apprenticeship and traineeship training*. Found at http://www.otfe.vic.gov.au/new/beep/appship/

Office of Training and Further Education, Victorian Government (1997b) *The devolution of training recognition: discussion paper*. Found at http://www.otfe.vic.gov.au/new/beep/devrec/

Pearson, G. et. al. (1996) *More than money can say: the impact of ESL and literacy training in the Australian workplace Volumes 1 and 2*. DEETYA, Canberra.

Sefton, R., Waterhouse, P. and Cooney R. (1995), *Workplace learning and change: the workplace as a learning environment*. Automotive Training Australia, Doncaster, Vic.

Selby Smith, J., Selby Smith, C. and Ferrier, F. (1997a) *Survey of users in 1996 User Choice pilot projects. Working paper 01/97* Department of Management, Monash University, Melbourne.

Selby Smith, J., Selby Smith, C. and Ferrier, F. (1997b) *Key policy issues in the implementation of User Choice. Working paper 02/97* Department of Management, Monash University, Melbourne.

Watkins, K. and Marsick, V. (1992) Building the learning organisation: a new role for human resource developers. *Studies in continuing education*, 14,2, pp 115-129.

Yeatman, A. (1994) Research into the costs and benefits of VET - who costs, who benefits? In Research priorities in vocational education and training - a discussion. Conference papers. ANTA, Brisbane, pp 87-99.